
Government of the District of Columbia



Department of Consumer and Regulatory Affairs

Testimony of

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Acting Director

P.R. 17-350

**THE “DIRECTOR OF THE DEPARTMENT ON CONSUMER AND
REGULATORY AFFAIRS LINDA K. ARGO CONFIRMATION RESOLUTION
OF 2007”**

**COUNCILMEMBER MARY CHEH, CHAIRPERSON
COMMITTEE ON PUBLIC SERVICES AND CONSUMER AFFAIRS**

September 21, 2007

Council Chamber
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004
10:00 A.M.

Good morning, Chairperson Cheh and members of the Committee on Public Services and Consumer Affairs. My name is Linda Argo and I'm the Acting Director of DCRA – the Department of Consumer and Regulatory Affairs. I'm pleased to be here today to talk to you about the agency – where we've come, where I think we need to go, and the leadership that I believe I can provide to get us there.

I first want to say how honored I am to be the Mayor's nominee to serve as Director of DCRA, and how humbled and grateful I am for his confidence and support.

Since the Mayor appointed me as Interim Director in April and nominated me as the permanent director in July, I've been very busy. Not that I wasn't busy before, but with the Mayor's confidence in my ability to lead, I've focused all my energy on charting a new direction for DCRA and lining up the reforms that are needed to get this agency where it needs to be.

As you might imagine, I got some interesting reactions from colleagues, friends and neighbors when they learned of my appointment as the head of DCRA. Their questions and responses stem from the agency's longstanding reputation as – let me think of the most frequently used adjectives – “beleaguered,” “dysfunctional,” or “besieged.” Most often, I've been asked, “WHY do you want to do this?” The most simple and honest response that I can give is that I love this city, I recognize how valuable and important the services are that DCRA provides, and I believe I have the right focus and the right balance of experience, energy and expertise to take the agency to the next level.

When I moved to Washington from Southern California 26 years ago, I thought I'd be here no longer than the 4-year term of the Ford Foundation and Carnegie Corporation grant that funded the organization I came to direct. Well, it only took a short time for me to fall in love – both with Washington and with my now-husband, David, who I met

at a Janney Elementary School PTA meeting – and I’ve never looked back.

With a career spanning over 30 years in the private for-profit, non-profit, and public sectors, I’ve accumulated a valuable set of skills and experiences that I draw upon daily in my role at DCRA. Rather than reciting my degrees and the details of my LONG resume of work experience, let me tell you a bit of what I’ve learned in some of the key positions I’ve held over the years:

As the Director of Financial Aid operations at one of the country’s largest private universities, I managed a \$50MM budget and learned the importance of managing to outcomes and achieving timely and accurate service delivery.

As Executive Director of the National Student Aid Coalition, I became adept at communicating with a variety of stakeholders and elected officials and in managing multiple constituencies.

Directing business services at Sallie Mae, I honed my skills at developing innovative, tailored business solutions and came to appreciate how vital it is to listen to the customer.

In my role as Executive Vice President at the College Construction Loan Insurance Corporation, I learned how to operate in a regulatory environment and worked with policymakers to develop groundbreaking legislation.

And in my six years in the District's Office of the Chief Technology Officer as PIO and Chief of Staff, I gained both knowledge and appreciation for the importance of technology as a vital tool for modernizing business processes and gaining efficiencies in service delivery.

Recently, at Harvard's Kennedy School of Government program on the Strategic Management of Regulatory and Enforcement Agencies, I learned fresh approaches to regulatory enforcement and compliance from colleagues around the world.

So the result of all these efforts and accomplishments is not a template that I can apply to DCRA and expect results. What I bring to the job is more like a long runway of experience that's made it easier for me to take off.

As you well know, this is not an easy organization to manage. While DCRA is not the largest DC agency in budget or number of employees, it clearly has one of the broadest and most varied scopes of authority and responsibility -- and the greatest impact on DC residents, businesses, and even visitors.

In fact, when I've looked to other municipalities, counties and states for ideas about how we can improve our programs, I'm struck by how different we are: programs and operations that we house under one administrative roof are usually spread across several departments and jurisdictions. This makes it difficult to ferret out comparable performance data.

I've spent a good deal of time thinking about why there have been over 15 directors in 24 years. Not all have failed, but none has lasted long. And that rapid churn in leadership, in and of itself, has had a major impact on the agency's ability to stabilize, to grow, to modernize, and to ultimately serve the District of Columbia well.

In the short time I've been in this seat, I can see how easy it is to get pulled into a cycle that could hobble real and sustainable change. Consider the typical pattern: one minute we're in the middle of a major inspections process overhaul and the next minute I can be pulled away to put out a daily fire, or, as is often in DCRA's situation, to respond to a fire's consequences. I could pull my best people to help, and we'd salvage the immediate situation – but lose the momentum that might well prevent it from happening in the future. Ultimately, many organizations face the same challenge of maintaining their strategic direction while navigating major tactical challenges.

I'm determined to keep my focus – and that of my leadership team – on the business of building an organization that has the right people and the right systems in place to effectively and professionally serve the residents and businesses of the city.

This can be complicated and challenging – balancing customer service with the demands and responsibilities of a regulatory agency. But I believe that a service-focused management approach gets us there.

How does all of this translate into a continuing plan of action and reform? It's fundamental. We need to:

1. Focus on and measure performance and outcomes
2. Shift from a compliance culture to a customer service culture
3. Get a top quality workforce in place
4. Give our employees the technology, tools and training to get the job done

Let's look at each of these.

Focus on performance and outcomes

We can't tell if we're improving if we don't first establish some baselines to measure our performance. We have to set up systems and processes that allow us to gather data. We can then use the data to determine how we're doing – in the areas that are most significant to our customers.

And we'll turn to our customers to help us create more sophisticated performance measures (no bean counting) and to help us settle on indicators that truly measure the quality and efficiency of our work – from their point of view!

Shift from a compliance culture to a customer service culture

We know our customers can't shop around the way they can for teapots or televisions. Businesses need us for their licenses and certificates of occupancy. Homeowners and builders and developers need us for permits. The last thing I want is for the way DCRA does business to be an excuse

for folks to bypass the laws and codes of the District and compromise safety:

- To build a deck that's unsafe over a particular load because the owner has to take too much time off work to get a permit.
- To open a business without the proper number of exits because it's too much hassle to call for an inspection.
- To rent out a basement with inadequate fire protection because the license application was too hard to fill out.

Ultimately, what we're looking for is broad compliance – with building, property maintenance, safety and zoning codes and with business and housing regulations. I intend to help make compliance better understood and easier for our customers.

I recognize and embrace the trend in regulatory agencies to take innovative approaches to encourage compliance -- including education and outreach efforts, partnership and mentoring programs, technical assistance and economic incentives.

Best practice studies confirm the value of changing the focus of regulatory practice from traditional enforcement to voluntary compliance. We're moving in this direction by:

- Screening out outdated or ineffective regulations, requirements, and formalities
- Streamlining and simplifying those that we need
- Developing a robust website to push more and more information out to customers so they have what they need *before* they come to our offices
- Deploying fully online permit and license applications – so customers don't have to come to the office at all
- Requiring less internal validation and more self-certification of permit and license applications

Get a top quality workforce in place

We have to be able to attract and retain high-quality employees whose skills match our business and our customers' needs. While we've cut our overall vacancy rate

in half – from 27% to 14% – we still have difficulties recruiting for senior managers and for positions that require high levels of technical expertise, such as fire protection engineers and commercial inspectors. We have a hard time competing with private industry in the DC Metro area, which has one of the nation’s lowest unemployment rates and one of the lowest concentrations of engineers and architects. We want to be able to continue to work with DCHR to offer competitive and attractive salaries, and we’d like to find a way to pay relocation expenses. When we’re lucky enough to find good people for our hard-to-fill positions, we need to have the flexibility and resources to keep these highly valued employees in place.

In addition, we need talented and committed employees who will *want* to stay with us to realize the strategic growth and improvement of the agency.

Give our employees the technology, tools and training to get the job done

We've begun and need to continue to build a high-quality organization. Better systems will allow us to make significant improvements in our core, high-volume operations by:

- improving accuracy and timeliness
- eliminating costly mistakes, and
- ensuring coordination with our agency partners

And we need to finally jettison outdated, cumbersome systems and put a top-quality technology infrastructure in place so our staff will have what they need to get the job done. Our employees will be more engaged and productive if their work is challenging and rewarding. Getting rid of obsolete systems and practices that sap everyone's energy and frustrate customers is a fundamental first step.

Our employees must have ongoing training – full-fledged professional development – to stay abreast of industry policy changes and technological advances. We've built a professional training academy at DCRA that locates training opportunities and develops training programs for

all employees and for specialists who need training targeted to their fields of expertise. We've recently completed mandatory training for all employees in ethics, customer service, and cultural competency.

Nowhere is it more important for us to have a high quality, professionally trained workforce than in our inspection corps. We're continuing to cross-train our inspections staff so that they can identify and cite:

- Illegal construction
- Vacant and nuisance properties
- Zoning discrepancies
- Illegal rooming houses, and
- Graffiti complaints

And all DCRA inspectors – both residential and commercial – are participating in training sponsored by the International Code Council (ICC). All inspectors are expected to complete this training and receive ICC Certification, by summer, 2008.

In the short time I've been in the deputy and director's seats, I've been busy. We've made significant strides towards measurable improvements in the delivery of services and in our customer service. We're fixing some of our basic systems and processes so that we can effectively serve the people of Washington, DC. We've begun by:

1. Opening a new, streamlined, state-of-the-art Permit Center where customers meet face-to-face with plan reviewers and where 90% of permits are issued the same day. As the Mayor told me at the opening of this new Permit Center, "Now it looks like we WANT to issue permits."
2. Launching the first fully online permit process: from application through payment and issuance, you can get permits for some projects without ever visiting us.
3. Implementing reforms to make the rest of the permit processes faster and more efficient, such as bar

coding plans when we take in permit applications so they're easily tracked and located.

4. Ramping up and staffing a dedicated Vacant Property Unit to inventory, catalogue, inspect, register and track all vacant and abandoned property in the District.
5. Installing an upgraded call center system so that customers who call DCRA are guided quickly and professionally to the people who can help them.
6. Bringing on board and training 9 new full-time customer service advocates.
7. Launching enterprise-wide property management technology that will consolidate 56 myriad, stand-alone databases into 9 fully integrated systems.
8. Partnering with the Attorney General to identify and prosecute slumlords and property owners who fail to abate lead paint hazards.
9. Staffing up our Office of Service Integrity so that it can be: more proactive in monitoring vulnerabilities; more rapidly investigate every complaint of alleged

corruption or dishonest activity; and work in partnership with other law enforcement agencies.

10. Bringing together all agencies and offices involved in plans review and permit processing to forge a “one-stop” center, where customers will be able to drop off plans and see plan reviewers from DDOE, DOH, Historic Preservation, and other agencies – right on the same floor as the new Permit Center.
11. Reactivating the Consumer Protection Office and partnering with the Attorney General to educate customers and to take action when they’re victimized by fraudulent and deceptive business practices.
12. Laying the groundwork for our responsibilities under the DC Green Building Act, which requires significant procedural, staffing, and training changes, as LEED-certified specialists are needed to review more and more submitted plans and as “green” skill sets become requirements for an ever higher proportion of our jobs.

It's been my privilege to work with the fine, dedicated employees of this agency to develop these initiatives and advance this vision. There is so much more for us to do. With the plan that I've outlined, and your support, we'll create a business environment that protects the health and safety and integrity of our communities and neighborhoods while encouraging our entrepreneurs and allowing homeowners and businesses to plan, improve and build.

I'm cautious about making promises and setting goals that reach for "world class" or "gold standard." I'd rather work towards ambitious measures of success that focus on customer outcomes.

Because ultimately, our customers will be the judge of our success. They will be the ones to define whether or not we're getting the job done. They should expect from us timeliness, technical competence, clarity and courtesy in an environment that is respectful and seeks fairness and resolution.

I'm motivated, eager and proud to be in this place and to have this opportunity to serve the people of Washington, DC – my home. With that, I'm pleased to take any questions that you may have.